

## City of Alexandria, Virginia

## MEMORANDUM

21A  
4-22-03

DATE: APRIL 17, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: PUBLIC HEARING ON ASSESSMENT AND TAX INCREASE

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**ISSUE:** Public hearing on effective tax rate increase for Calendar Year 2003.

**RECOMMENDATION:** That City Council receive this report.

**DISCUSSION:** State Code requires a separate public hearing on the proposed real property tax rate when increased assessments will increase real estate taxes (at the current rate) by more than one percent over the prior year's taxes. The attached "Notice of Proposed Real Property Tax Increase" was published in both the Alexandria Gazette Packet and the Northern Virginia Journal on April 10, 2003, announcing a public hearing for what is known as the "effective tax rate." The next docket item, City Council Memorandum #21 (b), is the ordinance which will establish the actual real estate and personal property tax rates for calendar year 2003.

**FISCAL IMPACT:** None

**ATTACHMENT:** Notice of Proposed Real Property Tax Increase

**STAFF:**

Mark Jinks, Assistant City Manager  
Kendel Taylor, Budget Analyst



## NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

This notice is required by state law. The tax rate is proposed to decrease from \$1.08 to \$1.05 to fund the FY 2004 Proposed Operating Budget and Capital Improvement Program.

### The City of Alexandria proposes to increase property tax levies.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments for new construction, or improvement to property, exceeds last year's total assessed value of real property by 16.37 percent.
2. **Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$0.928 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. **Effective Rate Increase:** The City of Alexandria proposes to adopt a tax rate of \$1.05 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate would be \$0.122 per \$100, or a 13.15 percent increase. This difference will be known as the "effective tax rate increase." Individual property taxes may, however, increase at a greater than or less than the above percentage.
4. **Proposed Total Budget of the City of Alexandria** (including the General Fund and all Special Revenue grant funds and other sources) will increase by 5.5 percent compared to last year's total budget.
5. **Impact of Tax Exempt Properties:** For 2003, the total estimated value of taxable and nontaxable locally and non locally assessed real property within the City is \$21.9 billion, with \$0.7 billion as the estimate of the value of non-governmental tax exempt property, \$1.9 million as the value of taxable property. The estimated amount of forgone annual real estate taxes from non-governmental tax exempt property is \$7.3 million at the proposed tax rate of \$1.05.

A public hearing on the increase will be held on Tuesday, April 22, 2003, at 7:30 p.m., at the City Council Chamber of City Hall, 301 King Street, Alexandria, Virginia. The hearing shall be open to the public. The governing body shall provide persons desiring to be heard an opportunity to present oral testimony within such reasonable time limits as shall be determined by the governing body.

All persons wishing to speak to this issue may contact the City Clerk and the Clerk of Council located on the second floor, Room 2800, City Hall, or may appear and be heard after completing a Speakers form before Council.

Persons with disabilities who wish to request accommodation for this public hearing should contact the Office of the City Clerk and Clerk of Council at 838-4550 (TTY/TDD 838-5056) prior to Friday, April 18, 2003, if possible.

Individuals who require translation services to participate in the City Council meeting may call the City Clerk and Clerk of Council's Office at 838-4500. We request that you provide a 48-hour notice so that the proper arrangements may be made.